

CHEHALIS RIVER BASIN FLOOD DISTRICT FORMATION

PROPOSED SCOPE OF SERVICES

The FCS GROUP project team proposes to support the formation of the Chehalis River Basin Flood District using the following three- phase general approach:

In Phase One, the project team will facilitate a one-day workshop with the Chehalis River Basin Flood Authority. The goal of the workshop will be to decide on what the flood district will be -- a flood control district or a flood control zone district. Phase One will consist of the preparation, research, facilitation, participation, and follow-up surrounding the workshop. The following scope is based on the assumption that a flood control zone district will be selected. Should a flood control district be selected, this scope would need to be amended.

In Phase Two, the project team will initially pursue two parallel objectives. First, the project team will support the analysis of key policy issues, communicating issue definitions, alternative approaches, issues analysis, and preliminary recommendations for discussion with the Flood Authority. The team will draft issue papers on the key issues, and facilitate and participate in discussions at the Flood Authority monthly meetings, or additional meetings as necessary. The goal of these discussions will be to agree upon a set of key policy recommendations – thus forming the framework for both the technical/financial analysis and the content of any interlocal agreements needed among participating jurisdictions and/or authorizing ordinances/resolutions.

Second, the team will perform technical analyses to include an assessment of the economic benefit provided by alternative flood control solutions in the Basin. This economic benefit analysis will be used to communicate the economic value of controlling flooding in the basin, and will support the acceptance of a tax or rate approach needed to recover the anticipated cost of that solution. The second technical analysis will include an evaluation of revenue sufficiency under the proposed rate and/or tax (or other) methodology, and the development of supporting alternative tax and/or rate structures.

At the end of Phase Two, the results of the previously completed policy and technical work will be reflected in (1) the content of agreements among the participating jurisdictions, likely to include memoranda of understanding and ultimately interlocal agreements and (2) authorizing ordinances/resolutions needed to adopt the District and define its supporting funding and policy structures.

Phase Three will include support for the establishment and implementation of the agreed-upon District entity, and its initial administration.

The following more detailed work plan provides a description of the tasks and sub-tasks necessary to complete the flood district formation on-time and within the project budget. We have used our collective expertise and experience to develop this plan, incorporating known variables and assumptions about the parties involved in the project, the data that is or will be available, the level of communication needed with the Flood Authority and individual jurisdictions, and the general direction the project will take. That said, it is important to note that a project like this requires a level of fluidity as information, decisions and directions evolve. It is likely if not a certainty that some tasks will require more and other tasks less effort than projected. The flexibility to accommodate such changes as long as the team stays within the budget will greatly improve the likelihood of project success.

Phase 1/Task 1: Governance & Financing Structure Selection of Preferred Alternative

This task is made up of the preparation for, participation in, facilitation of, and documentation of an all-day workshop intended to resolve the question of what type of entity the flood district will be – a flood control zone district or a flood control district. The first half of the workshop will be spent agreeing on the criteria by which to evaluate the options. The second half of the workshop will be spent applying the criteria and gaining agreement on the type of entity to be formed.

- 1.1 Develop Flood Control District and Flood Control Zone District options, including the potential of a Watershed Management Partnership, or other relevant options.

The Draft Chehalis River Basin Comprehensive Flood Hazard Management Plan reduced the basin-wide funding strategies to the Flood Control District and the Flood Control Zone District, and states that “A policy decision between the two types of districts will need to be made by the Flood Authority” [p.8-21]. The requirements, process and schedule for the formation of these options will be researched. The Consultant will further research potential additional applications to customize them to the Chehalis River Basin, such as the potential for a Watershed Management Partnership to the Flood Control Zone District to improve its ability to consolidate the multiple counties, or possible amending language for legislation to do so, or to allow for a multi-county Flood Control Zone District.

- 1.2 Develop decision criteria and pro/con analyses.

The Flood Hazard Mitigation Plan includes some criteria to guide selection between these two options: equity, stability, control, adequacy, relatedness, ease of implementation, restrictions, acceptability, legality, and basin-wide applicability. To these, additional criteria could be added, such as: affordability, public and political acceptance, voted or non-voted, revenue generation flexibility, liability coverage, ability to issue bonds, need for legislation, impacts on other existing Districts, and timing constraints. The Consultant will develop a full list of criteria and prioritize them with the Flood Authority, and use them in a pro/con analysis of the two options.

- 1.3 Develop schedule to establish.

The establishment of either option has statutory requirements for due process and timing. Given that the objective is to establish the selected governance and financing structure by June, 2011, the Consultant will provide a schedule working back from that deadline for the formation of both options, including any additional provisions to enhance their application to the Chehalis River Basin. Included in this scope is a high level schedule for the establishment of a Flood Control Zone District, which would need to be refined with details for due process. However, it provides a general expected timeline for the work necessary to its implementation and provides a sense of urgency for the work contained in this scope.

- 1.4 Workshop with Flood Authority.

A day-long workshop will be held with the Flood Authority to review the criteria and pro/con analyses of Flood Control District, Flood Control Zone District, and other relevant options. Based on the analysis, the Consultant will recommend an option to the Flood Authority. The Consultant will facilitate a decision-making process for the Flood Authority to make a provisional selection of a preferred alternative. The provisional selection will be used for subsequent further analysis, and to begin the public involvement process with those elected officials not on the Flood Authority on the Board of County Commissioners, City Councils and the Chehalis Tribe. It can also be used to prepare education materials for other

stakeholders and the general public to begin to build support for its creation. Finally, it will provide guidance to prepare a more detailed scope for Phase 2 implementation.

Deliverables:

1. Technical memo of the legal and political analysis of a Flood Control District and Flood Control Zone District establishment, and schedules to create. Technical memo to include criteria, pro/con analysis, and Consultant recommendation. The technical memorandum will also be provided as an appendix to the final report (Phase 2/Task 8).
2. Facilitated day-long workshop with the Flood Authority to select a provisional district option.
3. Refined scope for Phase 2 implementation of the preferred alternative, including public process for the Board of County Commissioners, Cities, the Chehalis Tribe, state and other stakeholders.

Schedule: April 15, 2010 - June 30, 2010

Phase 2/Task 1: Development of District Policy Framework

The goal of the policy framework task is to gain agreement among participating jurisdictions on key policy questions / issues facing the Flood Authority. The collective recommendations from this process will form the basis of the technical / financial analysis, define the provisional program for acceptance by each jurisdiction's individual elected body, i.e. Lewis, Thurston and Grays Harbor Counties, and the Chehalis Tribe, and frame the inter-local agreements that will be needed among the participating jurisdictions. Issue papers will be researched and written by the project team utilizing their experience with other jurisdictions and the specific needs and characteristics of the Chehalis River Basin. Meetings will be facilitated in order to maximize the likelihood of agreement on issues and gain the buy-in of participants. This is a key element in the establishment of a cohesive entity. The foregoing policy options are based on the formation of a Flood Control Zone District. Should a different structure be selected these policy options will require amendment.

1.1 Define/Analyze key policy issues.

Draft up to eight issue papers defining key policy issues, presenting alternative solutions, analyzing alternatives, providing initial recommendations for consideration by the Flood Authority. Key policy issues could include:

- ◆ Options for cost recovery: Rates v. taxes v. assessments; benefit v. contribution
- ◆ Area-specific v. uniform cost recovery
- ◆ Decision-making, representation, financial participation, and governance within the District option chosen – to include consideration of the Chehalis Tribe, the State of Washington Department of Transportation, and potentially other benefiting government entities.
- ◆ Reconciling the regional entity with existing local programs (stormwater utilities, flood control zone district sub-zones, etc.)
- ◆ Cost-sharing and revenue sharing among participants
- ◆ Fiscal policies
- ◆ Billing

1.2 Agree on key policy issue recommendations.

Participate in a series of facilitated discussions on key policy issues, intended to reach agreement on a recommendation for each key policy issue. The project team will facilitate and participate in up to six meetings of the Flood Authority. The collective set of recommendations will serve as the basis for interlocal agreements to be developed, and/or the authorizing ordinances/resolutions establishing the District and its cost recovery mechanism.

Deliverables:

1. Up to eight issue papers on key policy issues, revised to reflect the agreed-upon recommendation of the Flood Authority.
2. Up to six facilitated meetings of the Flood Authority, intended to generate agreement on each of the key policy issues.
3. Technical memo compiling/summarizing the set of policy recommendations composing the District policy framework. The technical memorandum will also be provided as an appendix to the final report (Phase 2/Task 8).

Schedule: July 1, 2010 – December 31, 2010

Phase 2/Task 2: Definition of Applicable Boundaries

It is assumed that the Basin boundary within Lewis, Grays Harbor, and Thurston counties will serve as the initial District boundary for the purpose of the District formation.¹ However, there are a number of related boundary questions that would be addressed as part of this task, including the possible identification of future sub-area boundaries.

- 2.1 The boundary for taxes or rates to be applied can be based on contribution or mitigation of impacts, on benefit from investments, or both. Depending on the types of impacts and investments, multiple boundaries or layered boundaries can be developed. For flooding, contributions usually come from alterations of the natural environment that exacerbate flooding, which is a natural occurrence itself. Benefits usually derive from reductions in damage, improved use of land, reductions in economic disruption, lower cost flood insurance, and even environmental restoration and improved recreation opportunity. The development of the applicable boundaries requires data that maps these contributions and/or benefits precisely on the ground, on a parcel by parcel basis. Geographic Information System or GIS mapping is capable of providing such precise mapping. To do this mapping, the Consultant will need to obtain existing GIS mapping and data from each county, city, and the Chehalis Tribe, or other available source, of land use, parcels, road data and potentially additional data layers. The Consultant will determine compatibility among the data sets, and identify gaps or discontinuities needing reconciliation.
- 2.2 In order to map contributions and benefits related to flood control investments, the Consultant will obtain from each county, city and the Chehalis Tribe, or other available source existing hydrologic information including historical flood information, Federal Emergency Management Agency mapping, Army Corps of Engineers analysis, or relevant data from other available sources to assist in identifying possible contribution and benefit boundaries.

¹ It is possible that portions of other counties within the Chehalis River Basin could be added later.

- 2.3 In some jurisdictions, Districts or Utilities exist whose purposes potentially overlap with one of the District options being considered. The Consultant will obtain other impacted District boundaries from each county. These will be analyzed for real or perceived overlap. In some circumstances, overlapping district boundaries are disallowed. In these cases the jurisdiction impacted will be provided with policy options (addressed in Phase 2/Task1) to dissolve these existing districts, account for them and resolve potential duplication, or excise them from the boundary(s).
- 2.4 Based on the hydrologic, benefits, and contributory data from the preceding task, and also as informed by Phase 2/Task1, the Consultant will develop up to two (2) alternative boundary(s) options. These boundary options will not include multiple sub-area boundaries. The options will be compared to the decision criteria developed during Phase 1/Task 1. These boundary(s) options will be presented with a Consultant recommendation to the Flood Authority for provisional agreement as part of a comprehensive Fall, 2010 Workshop. The results of the provisional selection would be included in the public involvement process with the Boards of County Commissioners for the three Counties, City Councils and the Chehalis Tribe. It could also be used to prepare education materials for other stakeholders and the general public to begin to build support for the boundary(s).
- 2.5 Ultimately the Boards of County Commissioners must act on establishment of the boundary(s) for submittal to the Boundary Review Board. The Consultant will provide materials, presentations, and briefings to the Boards of County Commissioners, the Chehalis Tribe, and to other forums and stakeholders as necessary, to support decisions by the Boards of County Commissioners in selecting a boundary(s).

Deliverables:

1. Technical Memo including the two (2) boundary(s) options; criteria and pro/con analysis; supporting data and Consultant recommendation
2. Technical Memorandum with preliminary maps of boundary(s) and GIS data base sources used to produce them. This memorandum will also identify potential data “gaps” and additional information required to complete the subsequent economic analysis work task.
3. Fall Workshop with Flood Authority
4. One presentation to each Board of County Commissioners, and the Chehalis Tribe
5. Up to two (2) additional meetings on request

Schedule: April 15, 2010 - November, 2010

Phase 2/Task 3: Economic Benefit Analysis

Understanding the local, regional and statewide economic benefits of flood mitigation is a critical first step in gaining community and state acceptance for paying for a share of the Chehalis Basin Flood Management Plan projects and programs. This task will assemble the available background demographic, market, land use, transportation and property/building data to make informed estimates of the relative economic benefits among the affected areas and state and local public agencies. Information may be used to establish relative cost sharing responsibilities among beneficiaries and/or be used to establish a basis for assessing rates or fees for future improvements and programs.

- 3.1 Data compilation. The Consultant shall obtain from the three Counties, Cities, the Chehalis Tribe and potentially other sources, background materials, reports, plans, studies, GIS

data, local land use plans and forecasts, local financial plans, current property tax and fee structures for local jurisdictions/special districts within the Chehalis River Flood Basin Area (Study Area). This task includes provision of relevant GIS shape file data layers for each affected county (specific layers to be identified), along with available information from background studies, community surveys, proposed improvement plans, cost estimates, special assessment or other district boundaries and rates, and relevant economic models, demographic/economic/land use reports, GIS data, etc.

3.2 Data Review. The Consultant will review available data provided in Task 3.1 and summarize relevant materials in an annotated bibliography. This task requires collection and confirmation of existing and potential development within the Study Area, and classification of development by land use types with estimates of current property valuation levels within the floodplain and the study area based on county assessor data.

3.3 Evaluate overall economic impacts from local community perspective. In light of the lack of flood hydrology models for the study area to estimate property damage avoidance, the consultant will rely on the use of an IMPLAN model to ascertain the overall local and regional economic impacts of project construction and avoidance of business disruptions caused by flooding. Consultant will measure overall economic impacts within the Study Area in terms of:

- ◆ The economic impacts on businesses by assuming a one-day shutdown in economic activity within the floodplain. This analysis will estimate the direct and secondary impacts on local and regional economic activity that would be lost in the event of a full-day shutdown of businesses within the floodplain. The results will provide a relative basis for understanding the direct and secondary economic benefits of flood avoidance for the study area. The measures of economic activity will include employment, wages, value added income, business profits, taxes, and overall economic output. The top 10 industry sectors will be identified.
- ◆ The short-term economic benefits of project construction will also be identified per \$1 million of investment in flood project capital improvements using the IMPLAN model. The construction benefits will be quantified in terms of employment, wages, business profits, taxes, valued added and economic output.

The use of IMPLAN modeling requires defining the impacted area, and then varying economic input variables (employment, spending, income, inter-industry flow coefficients, etc.) to coincide with the direct assumptions attributable to flood events. The analysis inputs will be varied as a means of estimating the relative sensitivity of the various economic sectors to flood events.

3.4 Determine the costs of emergency response and clean up. Natural disasters, such as floods, earthquakes and fires can result in significant public investment on all levels to deal with crisis events. The Consultant's approach is to incorporate the costs of emergency response and clean up provided by the Client. The Consultant also plans to review and summarize available public outlays from prior flood events, and Federal Emergency Management Agency insurance data regarding the costs of addressing prior flood events in the study area.

The consultant will supplement the economic analysis with additional information on the public costs of dealing with flood events. The consultant will interview a cross section of the local, regional, state and federal agencies, private business representatives, economic development officials, transportation, and other stakeholder groups. Consultant will meet with public works officials, emergency response officials, Washington Department of Transportation and others to prepare a logical set of assumptions regarding direct impact measures, such as travel time delays/cancellations, visitation, business productivity, and

goods shipment delays. These interviews should provide an opportunity to ascertain various perspectives regarding past flood events/costs/impacts, expectations regarding future benefits from flood mitigation, and clarification regarding relevant background data. Consultant will conduct up to 12 interviews with stakeholders identified by the Flood Authority in person or by telephone.

- 3.5 Summarize Economic Benefits Analysis. The results of this analysis will be used to monetarize the potential flood damage and probable avoidance levels for property, structures, contents, business loss, and cleanup. Local, regional and statewide benefits from flood damage avoidance will also be discussed. Results will be reported using supporting GIS data/maps, tables and graphs. The consultant will prepare draft documentation of the results of the Economic Benefits findings and supporting analysis.

Deliverables:

1. Annotated bibliography of prior studies, reports, and data sources
2. Presentation summarizing stakeholder interviews
3. Presentation summarizing draft Economic Benefit findings including method, approach and preliminary conclusions of the Study Area community wide economic impacts of the flood project.

Schedule: June 1, 2010 – November 30, 2010

Phase 2/Task 4: Determine Revenue Requirement

In order to establish the level of rates or taxes needed to support the program, it is necessary to estimate the level of funding (also known as the revenue requirement) needed to meet projected total program costs. The revenue requirement is comprised of administrative, maintenance, operations, capital, debt service and other related costs. For a new entity these are not necessarily known and need to be estimated, based on forecasted revenue generation or by other means. These then become the basis for setting the amount of the supporting taxes, rates, and/or assessments.

- 4.1 Estimate administration costs for new governance structure and billing system. Since neither the new governance structure nor the rate is in place, the Consultant will work closely with the county assessors and finance directors and/or utility billing agencies, and the Flood Authority, to estimate these costs.
- 4.2 Obtain estimate of maintenance and operations costs. Some maintenance and operations costs in all likelihood are currently being expended on river flooding control. The Consultant will need these costs provided by the public works departments of those agencies that have current responsibility for river flooding to determine any gaps in funding, and forecasts of funding needed to maintain operations.
- 4.3 Obtain flood control program costs. Similarly, early warning systems, land use controls to comply with Federal Emergency Management Agency regulations, public education, and other programmatic costs will be estimated with the assistance of the county or other responsible agency staffs.
- 4.4 Develop estimate of expected grants or other sources of non-rate revenue. The Consultant will work with the three counties, cities, the Chehalis Tribe and the State of Washington Departments of Transportation and Ecology on identifying revenues from other than local

sources, such as grants, state revolving fund loans, Army Corps of Engineers investments, or other sources to offset the revenue requirement.

- 4.5 Capital Investment Assumptions. The Consultant will need to obtain from the Flood Authority an estimate of capital revenue needed for the revenue requirement, if any at this time. Capital options will be developed, ranging from no inclusion in the revenue requirement at this time, to a reasonable level of investment over time. Inclusion in the rate will depend on affordability, necessity for grant matching money for capital construction, [e.g. Army Corps of Engineers match] and other factors of Flood Authority priority. The result of these decisions will be included in the revenue requirement.
- 4.6 Develop at least two (2) alternatives for a revenue requirement. The Flood Authority may wish to see a revenue requirement with and without certain costs, such as initial capital investment. Or an assumption could be made that existing programs undertaken by the counties or other agencies will continue without loss of or additional revenue, and a revenue requirement could be built on only new need. A decision to bond will drive a number of revenue requirement factors, such as debt service, interest rates, and reserve requirements. The Consultant will work closely with the Flood Authority on developing up to two (2) options for revenue requirement which could be used to analyze rate sensitivity to costs.
- 4.7 Participate in up to two meetings with the Flood Authority to present and discuss revenue requirement alternatives.

Deliverables:

1. Technical memo of modeled revenue requirement options, including documentation of assumptions and Consultant recommendation
2. Presentation of revenue requirement options to Flood Authority for provisional selection of preferred alternative [see schedule]

Schedule: July 1, 2010 – September 30, 2010

Phase 2/Task 5: Rate Model and Analysis

The rate model will be based on the governance structure and revenue generation options selected, e.g. tax, rate, and/or assessment.

- 5.1 The Consultant will develop up to two (2) rate/tax alternatives based on the selected governance structure and the policy criteria developed during Task 1. A comparison of the rate alternatives to the policy criteria and a pro/con analysis will be provided.
- 5.2 The revenue requirement will be applied to both rate/tax alternatives and boundary(s) alternatives. This will generate at least eight (8) rate alternatives.
- 5.3 The Consultant will apply the policy criteria from Task 1, and develop a pro/con analysis for modeled rate/tax options, including how to implement and administer the rate options.
- 5.4 The Consultant will make a presentation and recommendation to the FA for their provisional selection of a preferred option integrating boundary(s), revenue requirement and rates/taxes, in a Workshop format.

Deliverables:

1. Rate/tax model including 2 rate structure options, 2 boundary(s) options, and 2 revenue requirement options, including documentation of assumptions.

2. Technical memo comparing modeled rate/tax options to policy criteria and pro/con analysis
3. Day-long workshop with Flood Authority to present material, findings, public feedback (see Task 6), and recommendations to achieve a provisional selection of an integrated package of governance structure, boundary(s), revenue requirement and rate/tax structure.

Schedule: July 1, 2010 – October 31, 2010

Phase 2/Task 6: Public Outreach and Education

The public outreach and education task is in addition to the meeting facilitation included in previous tasks. The primary goal of this task is to develop understanding of the flooding problems, to support solutions, and to eliminate surprises through an education and focused outreach program. The Consultant recognizes and is sensitive to the unique challenges of reaching populations in large rural counties. This task will include the development of a Community Outreach and Education Plan that identifies key messages, describes all stakeholders, and outlines the methods that will be used, as well as the timing and responsibility for implementing them. Outreach and education will occur prior to the October 2010 workshop to review options and on rates and boundaries to inform the public about the project, the issues it will address, and the options under consideration for addressing them. This effort will consist of public workshops in 2-4 of the larger cities within the basin and smaller meetings in other jurisdictions (we will “piggyback” on existing council, commission, etc. meetings, however, some special meetings may be necessary). These meetings will be supported by a range of materials that explain the process, the reasons for forming a district, the options (rate structures and boundaries), and the benefits to the public. Materials could include newsletters, postcards, presentations, advertising, fact sheets, etc. We will also develop a website that will be frequently updated. This initial and early round of outreach and education will help to eliminate surprises and encourage understanding and support for district formation.

Outreach will continue through the 2011 Boundary Review Board process, and will include at least one more “round” of community outreach and education prior to a final decision. Running concurrently with the broader public outreach effort will be a complementary advisory committee process that is intended to involve a representative cross-section of all interests on a more in-depth level. The advisory committee is intended to assist in reaching diverse and dispersed rural interests, and be additional communication with their represented interest groups during the development of the flood control solutions, financing and governance. We will assist with committee selection, develop a focused work plan for the committee, facilitate committee meetings, and report all results. We envision 4-5 meetings with the committee, and will 1) review funding options and criteria for selections 2) review economic benefits analysis 3) review and provide input to boundary options 4) review and provide input to rate/tax alternatives. There will be more outreach and advisory committee involvement after the State ceases funding the project in June, 2011, with the adoption of the tax/rate at the end of 2011, and implementation of it in early 2012 -- a Phase 3 effort.

Schedule: September 1, 2010 – May 31, 2011

- ◆ September 1, 2010 – November 30, 2010: Support for the Flood Authority and the Boards of County Commissioners decision process on final selection of governance, policy framework, boundary(s), rate and revenue requirement
- ◆ December 1, 2010 -- March 31, 2011: Support for the Boundary review Board process
- ◆ March 1, 2011 -- May 31, 2011: Support for the vote(s) on creation of the District

Deliverables:

1. Community Outreach and Education Plan
2. Agendas, materials (handouts, comment forms, displays, presentations, etc.), and meeting reports for 4-8 public workshops, to include a meeting with each of the boards of commissioners for Lewis, Thurston, and Grays Harbor Counties
3. Public workshop notification (2 newsletters or postcards, advertising in local media)
4. Website content and management
5. Advisory committee work plan and meeting agendas, materials, and reports for 4-5 meetings

Phase 2/Task 7: Legal Advice/Documentation

The legal documentation task will include the development of interlocal agreements among the participating jurisdictions, defining roles and responsibilities, and reflecting the key policy recommendations compiled in the District policy framework. In addition, the task will include the development of a model ordinance and resolution establishing the District and supporting funding mechanism(s). The Consultant will work directly with the County Prosecutor for each County on the following processes, and in developing the necessary legal documents. Most actions require sufficient public notice and public hearing before the Board of County Commissioners can act and these will be added to a refined schedule once a governance structure has been selected. The following list of actions must be taken to establish a district with approximate dates:

- 7.1 Adoption of the proposed boundary(s) by the Boards of County Commissioners in November, 2010. Note: Adoption of the Flood Hazard Mitigation Plan and submittal to the Dept. of Ecology for 90-day review (*not in consultant scope*) by the Boards of County Commissioners and cities should also take place no later than November, 2010
- 7.2 Adoption of Resolutions by the Boards of County Commissioners of Intent to form the District in December, 2010 or no later than January, 2011; Resolutions to dissolve existing Districts as necessary; notice of and hold public hearing on creation of new district and dissolution of existing districts; within 10 days the Boards of County Commissioners must issue orders by resolution creating the new District and abolishing the existing districts or reject the resolution of intent; decision of the Board of County Commissioners consolidated through Interlocal Agreements as Board of Supervisors, or new supervisory Board and ballot proposition crafted to place before electorate.
- 7.3 Submittal to Boundary Review Board in January, 2011
- 7.4 Complete Boundary Review Board process by March, 2011
- 7.5 Boards of County Commissioners adopt ordinances to establish the Flood District by 6/1/2011; Boards of County Commissioners adopt ordinances to dissolve existing Districts as necessary; arrangements made for billing eventual rate and undertaking maintenance and operations services; either contract for administrative and maintenance and operation services with one or more of the agencies, or set up new organization for this purpose.

Deliverables:

1. Legal documents, ordinances, resolutions, interlocal agreements, and/or other types of legislation or documents to implement the Flood District governance, its rate structure, and its operating agreements

2. Support legislative processes through provision of materials, powerpoints, presentations, or other means to assist in decision-making
3. Assistance in processing the boundary(s) through the Boundary Review Board

Phase 2/Task 8: Study Documentation

Study findings will be documented in a comprehensive report. The report will include an executive summary and content describing the project process and all major task elements. Previously written technical memoranda will be referenced and included as appendices.

- 8.1 Draft report. The consultant will draft and provide for comment a comprehensive report of study findings. The Flood Authority staff will coordinate and consolidate responses to the Draft Final Report for a single agreed to set of revisions.
- 8.2 Final report. The consultant will incorporate comments and input received into a final report. Up to twenty bound copies of the final report will be provided, along with an electronic copy in .pdf format.

Phase 2/Task 9: Project Management

- 9.1 Ongoing project-related communication. Provide monthly project status reports (with invoices), maintain ongoing contact with Flood Authority staff via e-mail, telephone, on-site meetings, etc. It is assumed that the Flood Authority will designate a person to serve as the “client” project manager. That designee will coordinate communications, meetings, some information gathering, and generally serve as the project point person on the client side except as otherwise indicated. For this task, it is further assumed that the Consultant project manager will spend an average of three hours a week for the fifty-six week duration of the project on project management-related tasks, including regular check-in meetings. In reality, her efforts will peak once a month around billing, as will the efforts of FCS GROUP administrative support. It is assumed that the principal / assistant PM will spend an average of one hour a week for the duration of the project on project management-related tasks.
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Phase 3: Implementation Follow-up

Phase 3 assumes a decision to create a Flood Control Zone District and will include follow-up and implementation tasks to actually form the District, establish a rate, set a tax levy rate, and collect the funds. The following tasks outline the projected work necessary to implement a rate/tax to support the Flood Control Zone District. However, should assessments or fees be selected, the following tasks may need revision (increases) and more time.

1. Formation of the Advisory Committee. The Flood Control Zone District statute provides for up to a 15-member Advisory Committee and it is recommended that such an Advisory Committee, including broad membership, be formed to engender support for the Flood Control Zone District programs, rates and budgets. This formal, statutorily based Advisory Committee may have different membership than the advisory committee established during the formative stage for the District. Since the Flood Control Zone District would be formed in more than one county, it is possible that each County could have a 15-member Advisory Committee under the statute. However, an Advisory Committee much larger than 15 could hamper getting work accomplished and recommendations made in a timely manner. The Consultant will work with the Flood Control Zone District toward a reasonably sized

Advisory Committee to work with the Flood Control Zone District on work program, budget and rates.

2. As needed, the Consultant will facilitate the Advisory Committee through its formative period, and through development of their recommendations for the flood program's first budget and rate/tax.

Note: There is the option in the statute of a separately elected Flood Control Zone District Board. Given the time available for establishment of the Flood Control Zone District, it is unlikely (or at least very difficult) that such a separately elected Board could be taken to a successful public vote by July 1, 2011. However, the potential for a subsequent separately elected Board could be included in the establishment of the Flood Control Zone District. Since the Flood Control Zone District cannot levy its own debt without a public vote, the best potential timing for a vote for a separately elected Board would be at the time when the capital program is known, and a vote for issuing debt and a separately elected Board, if still desired, could occur concurrently.

3. Adoption of the Flood Hazard Mitigation Plan. Even though to form the Flood Control Zone District the individual counties were required to adopt the Flood Hazard Mitigation Plan, now that the District is formed it must adopt the Flood Hazard Mitigation Plan itself. The Consultant could assist in obtaining approval of the Plan by the Flood Control Zone District if needed.
4. Flood Control Zone District Rate / Tax Levy Rate Adoption. Once the Flood Control Zone District has adopted the Flood Hazard Mitigation Plan and received the recommendations from the Advisory Committee, the Consultant will facilitate the Flood Control Zone District adopting the final rate / tax levy rate needed to develop the tax roll for 2012. In the event that the final rate / tax levy rate is required to be adopted by the three (3) Boards of County Commissioner, the Consultant will support this process through to completion.
5. Development of the Tax Rolls. The Boundary for the Flood Control Zone District will have already been selected in Phase 2. This task develops the tax rolls for the assessor for each county, on a per parcel basis, for implementation of the new rate / tax levy. The Consultant will use GIS data to determine which parcels will be on the tax rolls for each county. The Consultant will work with the Assessors and the Finance Departments of each county on the billing system, intake and accounting for the funds. In addition, we will work with the Assessor on any required appeals process for implementation of the rate / tax levy.
6. County as Fund Administrator. It is likely that one County will be selected as the Fund Administrator. The Consultant will work with the Fund Administrator to assist them in setting up the accounting system to segregate the funds, handle disbursements, audits, and other administrative responsibilities.
7. Budget and Staffing of the new Flood Control Zone District: Now that the District will be a permanent, on-going agency, it will need its own budget and some level of its own staffing. An allowance for administration of the District will have been already included in the revenue requirement developed in Phase 2 and included in the adopted rate. The Consultant will work with the District Board in developing its first budget, and determining what level of staffing is needed and desired that fits within the budget constraints for the District.
8. Interim Financing. Since the grant funding is assumed to end as of July 1, 2011, about 10 months prior to receiving revenue, there may be a need for interim financing for the Flood Control Zone District. This could be accomplished through interim financing to be refunded when the levy yields revenue in 2012. The Consultant could assist the District in structuring interim financing for this purpose if needed.

9. **Interlocal Agreement with Other Partners.** Public properties, including state and federal properties, that will benefit from reduced flooding will not pay a property tax. Nor will the Chehalis Tribe lands. Yet some of these properties (e.g. I-5) will benefit significantly from the investments to be made by the Flood Control Zone District. These benefit contributions could be captured in negotiated interlocal agreements. Phase 2 will estimate the size of these benefits. This task involves assistance in negotiating interlocal agreements with these partners for contributions to flood prevention investments.
10. **Flood Control Zone District Contracts.** Flood Control Zone Districts generally contract with other existing organizations, such as their member cities and counties, to accomplish the actual on-the-ground work rather than the added overhead and inefficiency in establishing their own operating organizations. Since Flood Control Zone Districts cannot make grants, the usual means for disbursement of funds from the District to cities, counties, or other governments such as the Chehalis Tribe, is through contracts for services. These are established after the formation of the Flood Control Zone District for services such as maintenance and operations, capital planning, emergency response, early warning systems, etc. The Consultant could assist the Flood Control Zone District in negotiating the interlocal agreements with agencies through which the Flood Control Zone District desires to perform services.
11. **Public Education and Outreach.** Even with the assistance of the Advisory Committee there will be a clear need for continued public education and outreach in order for the Flood Control Zone District to adopt a levy rate, and through the initial billing period. Many people, until they receive their bills, will not have followed the establishment of the District, the need for its programs, and the levying of the rate. Support during the period of the levy implementation is crucial to the long term success of the program.

Deliverables

1. Assist in the initial formation, facilitation and staffing of the Advisory Committee through their recommendation to the Flood Control Zone District of the flood program's first budget and levy rate. This includes attendance at up to 6 Advisory Committee meetings, one each month from July through December.
2. Attendance and support at up to 6 Flood Control Zone District meetings, one each month from July through December to adopt the Flood Hazard Mitigation Plan, develop and adopt the first flood program budget, set the initial rate and boundary for the development of the tax roll, draft for approval inter-agency interlocal agreements, and determination and contract with the Fund Administrator.
3. Up to three (3) meetings with each of the three (3) County Boards of Commissioners to engender their support, especially if they are required to adopt the levy rate for each county.
4. A technical memo on the setting up of the tax roll, billing system(s), and fund accounting for revenue proceeds.

DRAFT Preliminary Schedule: Chehalis River Basin Flood District Formation

5/6/2010	Scope, Schedule, Budget and Contract reviewed with Steering Committee
5/20/2010	Contract approval by Flood Authority (FA)

Conduct Phase 1, Task 1

6/3/2010	Review Governance & Financing Structure options, criteria, and selection process for preferred alternative with Board Advisory Committee (BAC)
6/17/2010	All day FA workshop to review options for funding mechanism (flood control district or flood control zone district), and criteria for selection. Provisional selection of preferred alternative (presumed FCZD).
6/24/2010	Amend contract (scope, schedule, budget) to include Phase 2 and authorization to proceed

Phase 2, begin public outreach on FCZD option and all other tasks

7-12/2010	Analyze key policy issues with the FA
4-11/2010	Develop boundary options
6-11/2010	Perform Economic Benefit Analysis
7-9/2010	Determine provisional Revenue Requirement
7-10/2010	Develop rate/tax alternatives
10/2010	Workshop with FA to review options on rates and boundaries. Provisional selection of preferred rates and boundaries.
11/2010	BCCs adopt boundaries [Should also adopt Flood Hazard Mitigation Plan: not in our scope] [Should submit Flood Hazard Mitigation Plan to DOE for Approval: 90 days]
12/2010	BCCs Resolution of Intent to form FCZD
1/2011	Submit to Boundary Review Board (BRB)
3/2011	Complete BRB process
6/1/2011	Deadline for establishment of FCZD Establish formal Advisory Committee
10/2011	Advisory Committee recommendation of rate
11-12/2011	Deadline for FCZD to set rate for 2012 collection
1/2012	First bills go out

Chehalis River Basin Flood District Formation Study Proposed Project Budget

Task Description	FCS GROUP					R.U.G.		Norton-Arnold			Foster Pepper		Labor Hours	Labor Budget
	PIC/APM	PM	Economics	Consultant	Support	GIS		Outreach	Outreach	Outreach	Legal	Legal		
	Ghiarducci	Bissonnette	Chase			Healy		Norton-Arnold	Hoffman	Other	Spitzer	Other		
	\$ 195	\$ 185	\$ 185	\$ 120	\$ 65	\$ 92		\$ 194	\$ 168	\$ 89	\$ 315	\$ 231		
Phase 1/Task 1: Governance & Financing Structure Selection														
1.1 Develop FCD and FCZD options	8	16	-	24	-	-	-	-	-	-	4	8	60	\$ 10,508
1.2 Develop decision criteria	8	12	-	8	-	-	-	2	5	-	2	-	37	6,599
1.3 Develop establishment schedule	4	8	-	8	-	-	-	-	-	-	2	-	22	3,850
1.4 Flood Authority workshop	16	16	-	8	8	-	-	10	18	4	8	-	88	15,404
Subtotal	36	52	-	48	8	-	-	12	23	4	16	8	207	\$ 36,360
Phase 2/Task 1: Development of District Policy Framework														
1.1 Define / analyze key policy issues	48	48	-	64	-	-	-	-	8	-	16	-	184	\$ 32,304
1.2 Agree on key policy recommendations	72	72	-	32	16	-	-	8	60	8	8	-	276	47,108
Subtotal	120	120	-	96	16	-	-	8	68	8	24	-	460	\$ 79,412
Phase 2/Task 2: Definition of Applicable Boundaries														
2.1 Evaluate GIS capability / obtain boundary mapping	1	2	16	4	-	32	-	-	-	-	-	-	55	\$ 6,962
2.2 Obtain hydrologic information	1	2	8	-	-	24	-	-	-	-	-	-	35	4,263
2.3 Identify / map existing program boundaries	4	8	24	8	-	48	-	-	-	-	-	-	92	12,095
2.4 Develop up to 2 boundary options	4	8	16	12	-	24	1	10	-	-	8	-	83	13,272
2.5 Stakeholder support and meetings	16	24	8	-	8	16	-	-	-	-	-	-	72	11,038
Subtotal	26	44	72	24	8	144	1	10	-	-	8	-	337	\$ 47,630
Phase 2/Task 3: Economic Benefit Analysis														
3.1 Compile needed data	1	2	16	32	-	16	-	-	-	-	-	-	67	\$ 8,843
3.2 Review data	2	8	24	-	-	12	-	-	-	-	-	-	46	7,419
3.3 Evaluate local overall benefits	2	4	56	24	-	16	-	-	-	-	-	-	102	15,848
3.4 Determine emergency & clean-up costs	2	4	56	32	-	-	-	-	-	-	-	-	94	15,330
3.5 Summarize economic benefit analysis	4	12	48	-	12	-	-	-	-	-	-	-	76	12,660
Subtotal	11	30	200	88	12	44	-	-	-	-	-	-	385	\$ 60,101
Phase 2/Task 4: Determine Revenue Requirement														
4.1 Estimate administrative costs	2	8	-	16	-	-	-	-	-	-	-	-	26	\$ 3,790
4.2 Obtain / estimate O & M costs	4	12	-	32	-	-	-	-	-	-	-	-	48	6,840
4.3 Obtain flood control program costs	6	12	-	24	-	-	-	-	-	-	-	-	42	6,270
4.4 Estimate other revenues	2	4	-	8	-	-	-	-	-	-	-	-	14	2,090
4.5 Develop capital investment assumptions	4	8	-	16	-	-	-	-	-	-	-	-	28	4,180
4.6 Develop up to 2 revenue requirement alternatives	4	8	-	56	-	-	-	-	-	-	-	-	68	8,980
4.7 Up to 2 meetings with the Flood Authority	16	16	-	16	4	-	-	4	12	-	-	-	68	11,053
Subtotal	38	68	-	168	4	-	-	4	12	-	-	-	294	\$ 43,203
Phase 2/Task 5: Rate Model and Analysis														
5.1 Develop up to 2 rate / tax alternatives	8	12	16	48	-	-	-	-	-	-	-	-	84	\$ 12,500
5.2 Generate alternatives for revenue requirement alt.s	4	8	8	32	-	40	-	-	-	-	-	-	92	11,276
5.3 Evaluate rate / tax alternatives	8	12	8	12	-	-	-	-	-	-	-	-	40	6,700
5.4 Present alternatives at Flood Authority workshop	8	8	-	8	8	-	-	-	8	-	-	-	40	5,864
Subtotal	28	40	32	100	8	40	-	-	8	-	-	-	256	\$ 36,340
Phase 2/Task 6: Public Outreach														
6.1 Outreach in support of integrated program	32	40	-	24	-	-	-	4	60	30	-	-	190	\$ 30,055
6.2 Support for BRB process	8	24	-	8	-	-	-	4	60	40	-	-	144	21,387
6.3 Support for District formation vote(s) among BCCs	16	24	-	16	-	-	-	4	30	30	-	-	120	17,975
Subtotal	56	88	-	48	-	-	-	12	150	100	-	-	454	\$ 69,416
Phase 2/Task 7: Legal Advice/Documentation														
7.1 Support boundary adoption by each BCC	2	12	-	-	-	-	-	-	-	-	-	-	14	\$ 2,610
7.2 Legal support & documentation	2	4	-	-	-	-	-	-	-	-	20	20	46	12,050
7.3 Support BRB submittal	4	16	-	-	-	-	-	-	-	-	-	-	20	3,740
7.4 BRB process support	16	24	-	-	-	-	-	-	-	-	-	-	40	7,560
7.5 Establishment and related ordinances / resolutions	2	4	-	-	-	-	-	-	-	-	10	20	36	8,900
Subtotal	26	60	-	-	-	-	-	-	-	-	30	40	156	\$ 34,860
Phase 2/Task 8: Study Documentation														
8.1 Write draft report	32	40	-	72	4	-	-	2	6	1	2	-	159	\$ 24,656
8.2 Write final report	16	8	-	24	16	-	-	1	4	1	2	-	72	10,106
Subtotal	48	48	-	96	20	-	-	3	10	2	4	-	231	\$ 34,761
Phase 2/Task 9: Project Management														
9.1 Ongoing project related communication / admin	56	168	-	-	84	-	-	-	-	-	-	-	308	\$ 47,460
Subtotal	56	168	-	-	84	-	-	-	-	-	-	-	308	\$ 47,460
Labor	445	718	304	668	160	228	40	281	114	82	48		3,088	\$ 489,543
Project Expenses ¹	\$ 86,775	\$ 132,830	\$ 56,240	\$ 80,160	\$ 10,400	\$ 21,067	\$ 7,770	\$ 47,208	\$ 10,175	\$ 25,830	\$ 11,088		\$	9,800
													\$	499,343

NOTES:

¹ Project expenses include \$5,000 for the following public outreach items:

- newsletter/postcard printing
- mailing
- meeting materials (displays, handouts, etc.)

Remaining expense budget is for travel and other expenses associated with meeting participation and supporting documentation.